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FAILURE TO AGREE ON GERMANY LEADS TO SHIFT IN U.S. POLICY

WASHINGTON—The adjournment of the Council of Foreign Ministers on December 15 and President Truman's formal request five days later for Congressional enactment of the European Recovery Program are events of historic importance. They have given United States foreign policy a new emphasis, and have perhaps set it on a new course.

ACCENTUATE THE POSITIVE. The change reflects the Administration's adjustment to the decline of hopes recorded just four years and one month ago in the Moscow Declaration, which called for world-wide cooperation among great powers to keep the peace after World War II. President Truman and his associates now apparently propose to inaugurate a system of limited international cooperation, stressing two main lines of approach: (1) the development and consolidation of relationships between this country and those European states which, at the present stage in the gradual disintegration of the "one-world" thesis, display sympathy with American objectives—chiefly Britain, France and Italy; and (2) the immediate political, as well as economic, rehabilitation of western Germany. Acceptance of this course, which seeks to utilize the advantages we already enjoy in Europe, has given American foreign policy, for the time being at least, a quality of calmness. While the diplomatic conflict with the Soviet Union is not expected to flag, our newly focused foreign policy relegates to the background Washington's hitherto negative goal of frustrating what the Administration considers to be the aims of the Soviet Union.

In contrast to the situation prevailing after the adjournment of the Foreign Ministers' Council in Moscow last spring, neither the United States nor Russia has indicated that failure to agree on Germany makes it impossible for each to take construc-

tive action unilaterally. President Truman's ERP message stresses enlightened self-interest in positive terms: "In the past, the flow of raw materials and manufactured products between Western Europe, Latin America, Canada and the United States has integrated these areas in a great trading system.

... Europe is thus an important part of a world trading network. The failure to revive fully this vast trading system, which has begun to function again since the end of the war, would result in economic deterioration throughout the world. The United States, in common with other nations, would suffer. Our deepest concern with European recovery, however, is that it is essential to the maintenance of the civilization in which the American way of life is rooted. It is the only assurance of the continued independence and integrity of a group of nations who constitute a bulwark for the principles of freedom, justice and the dignity of the individual." Those sentences mark a different approach to international affairs from the Truman Doctrine of last March 12 which, appealing to fear, stressed the menace of totalitarianism instead of the desirability of liberalism.

A NEW GERMAN REGIME. The keystone to the new approach is an American proposal to organize the American, British and French zones in Germany. "We cannot look forward to a unified Germany at this time," Secretary of State Marshall said on December 19 when he had returned to Washington from London, where the Council's fruitless deliberations left the western zones still separated from the Soviet zone of occupation. "We must do the best we can in the area where our influence can be felt."

Thus, although difficult negotiations with France lie ahead, the establishment of what for practical purposes will be a new state in the family of nations

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— western Germany — appears certain. Its capital probably will be Frankfurt-am-Main. Unless Germans themselves advise against this course, a western German legislature will be created in the hope of stabilizing political life in the region and thus improving its economic productivity. The major undecided question, which weighs heavily with France, is whether the Ruhr should be organized separately as an area of international control, or should be placed under German administration. In any event, the Allied occupation would continue, with the United States exercising predominant influence. The western German level of production would be raised in order to supply materials for European recovery. This regional organization would be a temporary arrangement, subject to abandonment whenever agreement with Russia on an over-all German settlement became possible.

The basis for a sound American relationship with European nations west and south of Germany already exists, and can probably be strengthened to carry out present policy interests—provided France receives assurances that western Germany can be revived economically in a way that will benefit Europe today without endangering it tomorrow, and provided Congress will reconcile itself to the Socialist features of many European governments. The non-Communist rank and file of the French General Confederation of Labor on December 19 indicated support of their country's decision to cooperate more closely with the United States, by voting to form a new union free of the Communist guidance which the G.C.T. now receives from its executive committee. In an address to the Pilgrims in London on December 12, Secretary of State Marshall, dwelling on the essential friendship between the United States and Britain, asserted that a British Socialist regime need not prevent mutual collaboration.

The similarity of official attitudes in the United States, Britain and France was clear at the close of the meetings of the Council of Foreign Ministers, which terminated at the suggestion of Secretary Marshall. The latter's differences with Russian Foreign Minister Molotov centered on the reparations question. Marshall, with the backing of British Foreign Secretary Bevin and French Foreign Minister Bidault, continued to oppose the Soviet request for \$10 billion in reparations from the current production of Germany. When Molotov accused the United States

of making profits on exports of lumber and coal from Germany, the three western powers joined in refuting the charge. Effective maintenance of this tripartite relationship requires adoption by Congress of the European Recovery Program, for which President Truman asked Congress to authorize an expenditure of \$17 billion between next April 1 and 1951. He requested the expenditure of \$6.8 billion for the first fifteen months of the program; proposed a scheme for official underwriting of private investments in Europe; and suggested the establishment of a new agency, the Economic Cooperation Administration, responsible to the President, to administer the program.

UNFINISHED BUSINESS. Despite the change in emphasis to limited international cooperation, the Administration looks forward to modification of Soviet authority in Eastern Europe and to resolution of the points at issue between Washington and Moscow, including the German treaty. The way in which the Soviet government exercises its power continues to disturb the Administration, although it is no longer assumed in Washington that exercise of power by Russia means a loss of power for the United States. "A very strong reason, in my opinion, for our failure to agree in London was the Soviet determination not to relax in any way its hold on eastern Germany," Secretary Marshall said on December 19.

The Administration remains hopeful that the peoples east of Germany will grow weary of their pro-Soviet governments. In that event the United States probably would encourage the anti-Communist emigres from that area now living in Washington to establish successor governments. Former Polish Prime Minister Mikolajczyk, meeting with Polish-Americans in Chicago on December 17, expressed the hope that the American public, at least, will help restore anti-Communists to control in Warsaw at a propitious time. Along with this sense of rivalry with Russia, some Americans hope for a real settlement of the outstanding issues between the two countries. President Truman voiced this sentiment in his press conference comment on December 18 that he would confer with Premier Stalin if Stalin traveled to American soil. The Administration, however, does not expect acceptance of this vague invitation, and for the time being will center its attention on Western and Southern Europe.

BLAIR BOLLES

FINANCIAL PACT REDUCES FRICTION BETWEEN INDIA AND PAKISTAN

Announcement of an Indian-Pakistan financial settlement on December 9 constituted the first significant break in an otherwise unending stream of sombre news which has emanated from these two countries since August 15 when they became independent Dominions of the British Commonwealth

of Nations. The accord on finances is important, since the two new Dominions have reached agreement on many fundamental matters which remained to be settled before their full sovereign powers could be exercised. The complex issue of what were formerly undivided India's cash balances has

been dealt with, and the two states have also agreed to share undivided India's sterling assets, estimated at a value of £1.2 billion at the end of the war. The fiscal pact, in addition, stipulates that Pakistan is to assume 17.5 per cent of undivided India's liabilities, while the other most important provisions deal with Pakistan's debt to India, the division of all stocks of military supplies in the two Dominions as of August 15, and agreement to initiate discussions on trade and economic relations between them.

THE THROES OF INDEPENDENCE. However great an achievement the fiscal accord may appear on its own terms, when the recent events in India are recalled, the really remarkable thing is that any settlement could have been negotiated at all. Rumors of war between the two nations have been current almost from the beginning of the riots in August, and as late as December 4 one of India's foremost political leaders, Master Tara Singh, head of the Sikh Akali party, forecast war within six months. Moreover, Premier Jawaharlal Nehru of India and his opposite number in Pakistan, Liaquat Ali Khan, have used increasingly sharp language recently with reference to the situation in Kashmir. That Princely state north of Pakistan, which has opted temporarily for inclusion in the federal Union of India, is the scene of fighting between Indian and Pakistan forces which has assumed all the aspects of undeclared war. Meanwhile, as part of the throes of reaching statehood and completing partition, a gigantic two-way movement of population has taken place. No less than 4,000,000 Hindus and an equal number of Moslems, a total of more than 8,000,000 persons, have crossed the newly drawn border between the two states. This migration has created formidable problems of its own for each Dominion, and exacerbated to almost unmanageable degree the historic problems of poverty, disease and underdeveloped economic resources that continue to plague the entire subcontinent.

MIGRATIONS TAKE THEIR TOLL. Communal riots aside, the other event most publicized outside India and Pakistan is that of the communal population shift. The riots and migration are, of course, inseparable. Both were set off by partition, which has been accompanied by a rise in religious feeling, and both have sidetracked the two governments from dealing with older pressing problems. Both riots and migration, moreover, have caused almost complete concentration on the very immediate, practical problems of transporting and housing the refugees and preventing starvation and epidemics among them.

In Pakistan the migration has meant that millions of Hindu farmers have left the lands of the West Punjab, thus creating food shortages in the Moslem state, which otherwise could have claimed an advan-

tage over India with respect to agricultural output. Many Hindu traders, business men, lawyers and other professionals have also left Pakistan. This has led to a shortage of trained personnel, and it is reported that as a result the local and national governments in Pakistan, where nepotism has become rife, have been forced to depend on incompetent help. Not least of Pakistan's troubles has been a near breakdown in financing the new state. This area is even less industrialized than India, and little has been accomplished so far in starting new developments in industry or trade.

There is growing evidence in Pakistan that the older leaders of the Moslem League, who were so largely responsible for making partition an actuality, are unprepared to deal with emerging political and social demands of some League followers. Already ageing Mohammed Ali Jinnah, prime mover of the League, has withdrawn from the most active center of politics. He has recently been ill, and has indicated that others must shoulder the task of building up the new state. His post as Governor-General of the Moslem Dominion gives him a somewhat neutral vantage point. But the Liaquat government, which is made up only of conservative members, has from the outset been forced to deal with more radical elements such as Mian Iftikharud-Din, a member of the Constituent Assembly and leader of progressive younger Moslems especially in the Punjab, who would like to introduce certain Socialist measures in the new state.

HINDU TROUBLES INCREASE. India, for its part, has also been forced to divert attention from more constructive developments because of the migrations, although less so than Pakistan. Many government departments have been stripped of funds which have necessarily gone to aid the Moslem exodus and the influx of Hindus from Pakistan. It is perhaps only in a country where large-scale catastrophes have followed one upon the other that the present refugee problem could have been handled with such relative success. Until the uprooted populations on both sides of the border are again settled permanently, however, there is danger that the worst consequences of migration will not have passed. For some time to come the problem of feeding these millions will haunt both governments, and since many more millions in both countries hover always on the point of starvation, the new states may yet experience violent social upheavals arising out of sheer want.

The religious fervor unloosed in India has also created new problems. Many Hindu Congress followers in India have themselves become inflamed by the rise of religious hatred, and the Mahasabha—an orthodox Hindu religious organization—has recently gained much influence. Government leaders,

in fact, have been caught up in this Hindu revival, aimed at creating a theocratic state, to the extent at least of having to protest against the movement and urge all Indian nationals of whatever communal persuasion to build a democratic state in which religion and politics are wholly separate. One other acute problem, greatly intensified by the migrations, is that of assuring the remaining minorities that the new India will protect all its various peoples and offer them equality of political and economic rights with Hindus. This point is affirmed in the newly framed constitution, as is the separation of religion and the state.

"REVOLUTION" AMONG THE PRINCES.

Against this background it is truly amazing that India's leaders, in particular, have forged ahead with framing a constitution for the larger portion of the subcontinent, dealt in part with the problem of incorporating the vast majority of the Princely states into the new Union of India, and made some progress in planning new economic and industrial projects and establishing technical schools and scientific institutes to provide the essential skilled workers the country needs so badly. Little is known abroad of these developments, and the most dramatic—the accession to India of the vast majority of the more than 500 Princely states without a show of violence except in Kashmir—has been almost entirely overlooked by the American press.

The dispute in Kashmir arose when Sir Hari Singh, Hindu ruler of the beautiful northern state

whose population is 75 per cent Moslem, chose to accede temporarily to the New Delhi government. There are some signs, however, that the resulting clash between Pakistan and India over this situation has abated, and Deputy Prime Minister of India, Sardar Patel, announced on December 9, when the financial accord was made public, that the Kashmir issue might also soon give way to settlement. But the Kashmir problem is best appreciated in the broader perspective of what is quite literally a vast, but more or less silent, revolution among the hereditary princes and their subjects. For with the exception of the wealthy and highly industrialized state of Hyderabad, which has not joined the federal Union of India, that Dominion has gained by the accession of the Princely states some 80,000,000 inhabitants, or more than it lost through the separation of Pakistan. In due course Hyderabad, also, may be expected to come to closer terms with India, for it is entirely landlocked and could hardly resist concerted pressure from its neighbor. But, again, what is more important, the acceding states, while retaining great autonomy in the federal relationship, have already introduced many reforms to bring their regimes in line with the democratic aims of the new union. India has thus by astute statesmanship and the flowering of nationalism, long championed by Congress leaders, begun to build a state which is destined to play a prominent, if not the leading role throughout Asia.

GRANT S. McCLELLAN

F. P. A. BOOKSHELF

Peace or Anarchy, by Cord Meyer, Jr. Boston, Little, Brown, 1947. \$2.50

A plea for world government by a former marine who was one of Harold Stassen's veteran aides at the San Francisco conference. This book, in which the author emphasizes the necessity of checking immediately the drift toward an atomic arms race, makes valuable reading for every American.

Industrial Capital in India (1938-39), by M. V. Divatia and H. M. Trivedi. Bombay, Tripathi, 1947. (Distributed in United States by Institute of Pacific Relations.) \$2.50

A pioneering study in a major field of Indian economic life. The authors analyze carefully their approach to the difficult statistical problems with which they are dealing, and develop a series of capital estimates for the leading industries.

Elements of Democratic Government, by J. A. Corry. New York, Oxford University Press, 1947. \$3.75

A novel introduction to the study of political science, this book will be valuable both as a beginning text and an informative survey for the general reader. The author has written a comparative treatise on the structure of democratic government and how it functions by drawing illustrative material from Britain, Canada and the United States.

The Von Hassell Diaries, by Ulrich Von Hassell. New York, Doubleday, 1947. \$5.00

Deeply human and revealing documents by Von Hassell whose opposition to the Nazi regime cost him his post as Ambassador to Rome in 1937, and his life in 1944.

New Zealand, edited by Horace Belshaw, *Australia*, edited by C. Hartley Grattan. Berkeley, University of California Press, 1947. \$5.00 each.

Like others in this United Nations series, these books are edited authoritatively and the various chapters written by experts in the field. The historical background and a survey of each country's economic, political and social development are included, as well as notes on education, the press and arts.

Report from Spain, by Emmet John Hughes. New York, Henry Holt, 1947. \$3.00

Press attaché of the American Embassy in Madrid from 1942 to 1946, the author gives a reasoned analysis of the bases of the Franco regime—Falange, Church and Army—and of the opposition forces. He is critical of the temporizing character of United States policy toward Spain which, he believes, actually serves the ends it purports to avoid, and advocates that, as the lesser of two risks, the western democracies apply sanctions against Franco.

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